

ESTTA Tracking number: **ESTTA737673**

Filing date: **04/04/2016**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91226185
Party	Plaintiff Twentieth Century Fox Film Corporation
Correspondence Address	LINDA K MCLEOD KELLY IP LLP 1919 M STREET NW SUITE 610 WASHINGTON, DC 20036 UNITED STATES david.kelly@kelly-ip.com, linda.mcleod@kelly-ip.com, anjie.vichayanonda@kelly-ip.com, Lit-Docketing@kelly-ip.com, stephanie.bald@kelly-ip.com
Submission	Opposition/Response to Motion
Filer's Name	Linda K. McLeod
Filer's e-mail	linda.mcleod@kelly-ip.com, larry.white@kelly-ip.com, Lit-Docketing@kelly-ip.com
Signature	/Linda K. McLeod/
Date	04/04/2016
Attachments	Opposer's Opposition to Motion to Dismiss.pdf(200693 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>TWENTIETH CENTURY FOX FILM CORPORATION,</p> <p style="text-align: center;">Opposer</p> <p style="text-align: center;">v.</p> <p>KIND DISTRIBUTION LLC,</p> <p style="text-align: center;">Applicant.</p>	<p>Opposition No. 91226185</p> <p>Serial No. 86603079 Mark: PLANET OF THE VAPES Filing Date: April 20, 2015</p>
---	---

**OPPOSER’S OPPOSITION TO APPLICANT’S MOTION TO DISMISS
OPPOSER’S RES JUDICATA CLAIM UNDER FRCP 12(B)(6) AND ALTERNATIVE
MOTION FOR LEAVE TO FILE AMENDED NOTICE OF OPPOSITION**

Twentieth Century Fox Film Corporation (“Opposer”) submits its opposition to Kind Distribution LLC’s (“Applicant”) Motion to Dismiss Opposer’s res judicata claim under FRCP 12(b)(6) (“Applicant’s Motion”). (TTABVUE 5, D MOT TO DISMISS: FRCP 12(B), March 4, 2016). As detailed below, the Board should deny Applicant’s Motion because Applicant has improperly argued the merits of Opposer’s res judicata claim, and in any event, Opposer has properly plead all elements of the claim. In the alternative, and in the event that the Board grants Applicant’s Motion, Opposer respectfully requests leave to file an amended Notice of Opposition to cure any alleged deficiencies in the complaint noted by the Board.

I. APPLICANT’S MOTION TO DISMISS SHOULD BE DENIED

A. Procedural Background

On February 4, 2016, Opposer filed a notice of opposition against Applicant’s Application Serial No. 86603079 for the PLANET OF THE VAPES standard character mark covering “herbal grinders; herbal storage containers” in Class 34 and “retail sale

services featuring vaporizers and herbal grinders; retail sale services featuring vaporizer accessories, smokeless inhalers, herbal storage containers, vaporizable concentrate storage” in Class 35 (“Notice of Opposition”). (TTABVue 1, FILED AND FEE, February 4, 2016.) Opposer’s Notice of Opposition alleged several grounds for opposition including likelihood of confusion under Section 2(d) of the Trademark Act, likelihood of dilution under Section 43(c) of the Trademark Act, and res judicata. (Notice of Opposition ¶¶ 28-42, referred to as “NOO ¶ ____.”) For the res judicata claim, Opposer’s Notice of Opposition alleges the following facts, among others:

- On June 28, 2011, Kind Distribution LLC, which was at that time a limited liability company organized in New York, filed intent-to-use Application Serial No. 85357919 for the mark PLANET OF THE VAPES & Design (shown below) under Section 1(b), 15 U.S.C. § 1051(b), for the mark PLANET OF THE VAPES (shown below) for “smokeless cigarette vaporizer pipe; tobacco grinders; lighters for smokers; tobacco jars” in International Class 34 (the “First PLANET OF THE VAPES Application”). The signatory to Application Serial No. 85357919 was Patrick Bissen (“Bissen”). (NOO ¶ 19.)



- On December 13, 2011, the First PLANET OF THE VAPES Application published for opposition. On January 11, 2012, Fox filed an extension of time to oppose and on January 18, 2012, Opposer filed Opposition No. 91203417 against the First PLANET OF THE VAPES Application. (NOO ¶ 20.)
- On March 13, 2012, the Board issued a notice of default in Opposition No. 91203417 finding that Applicant failed to file an Answer by February 27, 2012, and allowing Applicant thirty days to respond. (NOO ¶ 21.)
- On April 27, 2012, the Board issued a judgment by default in Opposition No. 91203417 sustaining the opposition and refusing registration of the First PLANET OF THE VAPES Application. (NOO ¶ 22.)
- On April 20, 2015, Kind Distribution, LLC, now a limited liability company of Texas, filed use-based Application Serial No. 86603079, under Section 1(a), 15 U.S.C. § 1051(a), for the mark PLANET OF THE VAPES (standard characters)

for "herbal grinders; herbal storage containers" in Class 34 and "retail sale services featuring vaporizers and herbal grinders; retail sale services featuring vaporizer accessories, smokeless inhalers, herbal storage containers, vaporizable concentrate storage" in Class 35 (the "Third PLANET OF THE VAPES Application"). The application claims a date of first use in commerce of 2010 for the goods in Class 34 and a date of first use of September 11, 2010 for the services in Class 35. The signatory to the Third PLANET OF THE VAPES Application was also Bissen. (NOO ¶ 25.)

- Applicant is precluded from registering Applicant's PLANET OF THE VAPES mark under the doctrine of res judicata or claim preclusion. (NOO ¶ 38.)
- This proceeding involves identical parties or their privies because Opposition No. 91203417 was between Opposer and Applicant's predecessor (Kind Distribution LLC, a limited liability company of New York). Further, Opposition No. 91203417 involved the same claims and transactional facts that are involved in this opposition. (NOO ¶ 41.)
- Accordingly, Applicant is precluded from registering the virtually identical PLANET OF THE VAPES mark in the Third PLANET OF THE VAPES application covering identical and/or overlapping goods and services. (NOO ¶ 42.)

On March 4, 2016, Applicant filed Applicant's Motion seeking to dismiss Opposer's res judicata claim under FRCP 12(b)(6) for "failure to state a claim upon which relief can be granted." (Applicant's Motion, p. 1.)

B. Legal Standard

A dismissal under Rule 12(b)(6) for failure to state a cognizable claim is a test of whether the complaint contains sufficient factual matter "to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009); *see also Acad. of Motion Picture Arts & Scis. v. Alliance of Professionals & Consultants Inc.*, 104 USPQ2d 1234 (TTAB 2012). "For purposes of determining a Rule 12(b)(6) motion to dismiss, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff." *See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir.

1993); *see also* 5A Wright & Miller, Federal Practice & Procedure: Civil 2d § 1357 (1990).

C. Argument

Applicant's Motion does not claim that Fox failed to appropriately plead all the elements of its res judicata claim; rather, Applicant's Motion inappropriately argues the merits of the res judicata claim. (Applicant's Motion pp. 4-7.) The Board should summarily deny Applicant's Motion because Applicant's arguments on the merits of the claim are improper and premature. *See Guess? Ip Holder L.P. v. KnowLuxe LLC*, 116 USPQ2d 2018 (TTAB 2015) (arguing the merits of the plaintiff's claim or asserting defenses to such claims is inappropriate and premature on a motion to dismiss).

Even if the Board considers Applicant's Motion, it should be denied because Opposer has clearly stated a claim of res judicata. To state a claim of res judicata, the plaintiff must allege: (1) an identity of parties or their privies, (2) a final judgment on the merits of the prior claim, and (3) the second claim must be based on the same transactional facts as the first and should have been litigated in the prior case. *Virgin Enters. Ltd. v. Holts Co.*, 2008 WL 885888, at *3 (TTAB Feb. 8, 2008) (Attached as Exhibit A); *see also Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 327 n.5 (1979); *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

In this case, Opposer properly stated all of the elements of a res judicata claim by alleging, among other things, that: (1) "This proceeding involves identical parties or their privies" (NOO ¶ 41.); (2) "On April 27, 2012, the Board issued a final judgment by default in Opposition No. 91203417 sustaining the opposition..." (NOO ¶ 40.); and (3)

“Opposition No. 91203417 involved the same claims and transactional facts that are involved in this opposition.” (NOO ¶ 41.) Further, Opposer’s Notice of Opposition alleges detailed facts that elaborate on and support a res judicata claim that is plausible on its face.

With regard to the first element of its res judicata claim, Opposer alleged that the PLANET OF THE VAPES application involved in the first proceeding was filed by Kind Distribution, LLC, a limited liability company of New York (NOO ¶ 19.), and the PLANET OF THE VAPES application at issue in this proceeding was filed by Kind Distribution, LLC, now a limited liability company of Texas (NOO ¶ 25.) The Notice of Opposition also asserts that this “proceeding involves identical parties or their privies because Opposition No. 91203417 was between Opposer and Applicant’s predecessor (Kind Distribution LLC, a limited liability company of New York)” (NOO ¶ 41.) In this case, Opposer has sufficiently alleged privity, and it should be allowed an opportunity to prove such allegations at trial.

Moreover, both the Federal Circuit and Board have found privity under similar circumstances. *See Int’l Nutrition Co. v. Horphag Research, Ltd.*, 220 F.3d 1325, 1329 (Fed. Cir. 2000) (holding petitioner was in privity with the company that was involved in the prior proceeding where it held a successive interest in the trademark at issue); *see also John W. Carson Found v. Toilets.com Inc.*, 94 USPQ2d 1942, 1947 (TTAB 2010), *citing Kraeger v. General Electric Co.*, 497 F.2d 468, 472 (2d Cir. 1974) (The president and sole shareholder of a corporation was bound by the corporation’s defeat in an action that he effectively controlled); *Vitronics Corp. v. Conceptronic, Inc.*, 27 USPQ2d 1046, 1049 (D.N.H. 1992) (founder and CEO of corporation in privity with corporation);

see also Calavo Growers, Inc. v. Luis Calvo Sanz S.A., 2007 WL 1144944, at *2 (TTAB Apr. 11, 2007) (considering claim preclusion, Board held that the instant opposition involved the same parties or their privies given opposer's claims that it was the successor-in-interest of the plaintiff in the prior opposition and acquired all right, title, and interest of the prior plaintiff pursuant to a merger and reorganization of the companies; applicant failed to rebut claims) (Attached as Exhibit B); *Blvd Supply, LLC v. Juan Chen*, 2015 WL 2441551, at *3 (TTAB Apr. 28, 2015) (cancellation proceeding; prior action filed by BLVD Supply, present proceeding filed by BLVD Supply, LLC; companies in privity for claim preclusion given the overlapping principals) (Attached as Exhibit C).

Regarding the second element of the res judicata claim, Opposer alleged that the Board issued a final judgment by default in the earlier Opposition No. 91203417, and that such judgment serves as preclusion in this case. (NOO ¶¶ 21, 22, 40.) The Board and courts have routinely held, contrary to Applicant's contention, that judgment by default can give rise to a res judicata claim. *See Int'l Nutrition Co.*, 220 F.3d at 1329 (holding that a default judgment gave rise to res judicata); *Wells Cargo, Inc. v. Wells Cargo, Inc.*, 203 USPQ 564, 566 (CCPA 1979) ("Default judgments generally operate as res judicata") (citations omitted). Thus, Applicant cannot, and should not be allowed, to avoid Opposer's res judicata claim by arguing that the prior judgment was by default.

Regarding the third element of the res judicata claim, Opposer alleged that Opposition No. 91203417 involved the transactional facts that are involved in this opposition. (NOO ¶ 41.) In particular, Opposer alleged specific facts that the First

PLANET OF THE VAPES Application involved a stylized version of the PLANET OF THE VAPES mark covering vaporizer pipes, tobacco grinders, lighters, and tobacco jars in Class 34, and the Third PLANET OF THE VAPES Application involves a standard character mark. (NOO ¶¶ 19 and 25.)

Applicant suggests that the judgment in the prior proceeding against the stylized mark in the First PLANET OF THE VAPES Application should not apply to the present application involving a standard character mark. (Applicant's Motion p. 5, *citing Polaroid Corp. v. C & E Vison Servs. Inc.*, 52 USPQ2d 1954, 1957 (TTAB 1999) and other cases). Here again, Applicant is improperly arguing the merits of the case, namely, whether the involved marks create the same commercial impression.

More important, contrary to Applicant's contention, the Board has applied res judicata or claim preclusion where, as in this case, a mark is encompassed by an earlier mark that was the subject of an opposition between the same parties. *See Virgin Enterprises Ltd. v. Holts Co.*, Opposition No. 91176609, 2008 WL 885888, at *3 (finding claim preclusion with respect to a mark was encompassed by an earlier mark that was the subject of an opposition between the parties, finding the commercial impression the same). Similarly, both the Board and the Federal Circuit have found that a standard character mark, like Applicant's Third PLANET OF THE VAPES Application, is broad enough to cover the mark in any font style, size, and color of the same mark, as in Applicant's First PLANET OF THE VAPES Application. *See* TMEP 1207.01(c)(iii), *citing Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 950, 55 USPQ2d 1842, 1847 (Fed. Cir. 2000) ("Registrations with typed drawings are not limited to any particular rendition of the mark and, in particular, are not limited to the mark as it is used in commerce").

Thus, the Board can find that the mark in Applicant's First PLANET OF THE VAPES Application and Third PLANET OF THE VAPES Application are identical or highly similar.

Moreover, the Board's decision in *Miller Brewing Co. v. Coy Int'l Corp.*, 230 USPQ 675 (TTAB 1986) is instructive in this case. In *Miller Brewing*, the Board found that the doctrine of *res judicata* applied to an applicant's second mark because the second mark differed from the first mark only insignificantly, and applicant had abandoned the application for the first mark resulting in a judgment against the applicant. In its decision, the Board emphasized that it did not "wish to encourage losing parties to insignificantly modify their marks after an adverse ruling and thereby avoid the *res judicata* effect of the prior adjudication." *Id.* Here, as in *Miller Brewing*, Applicant should not be allowed to avoid the prior judgment by re-filing the same mark in standard character form. *See also Aromatique v. Langu*, 25 USPQ2d 1359 (TTAB 1992) (finding claim preclusion with respect to a mark which had minor alternations in typeface and capitalization to an earlier mark that was the subject of an opposition between the parties, finding the commercial impression the same).

In addition, Opposer's Notice of Opposition contains detailed allegations, including that Applicant's First PLANET OF THE VAPES Application covered "smokeless cigarette vaporizer pipe; tobacco grinders; lighters for smokers; tobacco jars" in International Class 34, and its Third PLANET OF THE VAPES covers grinders for smoking herbs and containers for smoking herbs in Class 34, and retail store services for the same goods in Class 35 (NOO ¶¶ 25-26.). Opposer has also alleged

that the foregoing are the same “transactional facts” involved in the oppositions (NOO ¶ 41.)

Further, contrary to Applicant’s position, the Board has held that an applicant cannot avoid the estoppel effect of the decision of a prior disposition by insignificantly changing its identification. *See J.I. Case Co. v. F.L. Indus., Inc.*, 229 USPQ 697 (TTAB 1986); *Schering Corp. v. Diagnostic Test Group, LLC*, 2008 WL 2515108, at *4 (TTAB 2008) (The Board should consider “whether the goods in the involved application are identical to or could be encompassed by the goods in the prior application.”) In this case, Opposer should be allowed an opportunity to prove that the foregoing are the same “transactional facts” or “series of transactions” for purposes of its res judicata claim. Among other proofs, Opposer can show at trial that “tobacco” goods in the First PLANET OF THE APES Application are an “herb” as identified in the Third PLANET OF THE VAPES Application. Thus, as in *J.I. Case* and *Miller Brewing*, Applicant should not be allowed to avoid the estoppel effect of the prior decision by simply changing “tobacco grinders” to “grinders for smoking herbs” or “tobacco jars” to “containers for smoking herbs,” or by making similar insignificant changes to the identification.

Accordingly, Applicant’s Motion should be denied.

II. ALTERNATIVE REQUEST FOR LEAVE TO AMEND

In the alternative, and should the Board grant Applicant’s Motion, Opposer respectfully requests leave to file an amended Notice of Opposition to cure any deficiencies noted by the Board. *See* TBMP ¶ 503.03 (“if the complaint fails to state a claim upon which relief can be granted, the Board generally will allow the plaintiff an opportunity to file an amended pleading.”); *Miller Brewing Co. v. Anheuser-Busch Inc.*,

27 USPQ2d 1711, 1714 (TTAB 1993) ("the Board freely grants leave to amend pleadings found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient, particularly where the challenged pleading is the initial pleading.")

Moreover, even if the Board grants Applicant's Motion and denies Opposer leave to amend, the Board should not strike Paragraphs 37-42 from the Notice of Opposition to the extent that such allegations concern Applicant's "bad faith," which is also relevant to and supports Opposer's likelihood of confusion and dilution claims.

III. CONCLUSION

For the reasons discussed above, Opposer respectfully requests that the Board deny Applicant's Motion under FRCP 12(b)(6). In the alternative, and should the Board grant Applicant's Motion, Opposer respectfully requests leave to file an amended Notice of Opposition.

Respectfully submitted,

Dated: April 4, 2016

By: Linda McLeod/
David M. Kelly
david.kelly@kelly-ip.com
Linda K. McLeod
linda.mcleod@kelly-ip.com
Anjie Vichayanonda
anjie.vichayanonda@kelly-ip.com
Kelly IP, LLP
1919 M Street, N.W., Suite 610
Washington, D.C. 20036
Telephone: (202) 808-3570
Facsimile: (202) 354-5232

Attorneys for Opposer
TWENTIETH CENTURY FOX
FILM CORPORATION

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing OPPOSER'S
OPPOSITION TO APPLICANT'S MOTION TO DISMISS OPPOSER'S RES JUDICATA
CLAIM UNDER FRCP 12(B)(6) AND ALTERNATIVE MOTION FOR LEAVE TO FILE
AMENDED NOTICE OF OPPOSITION was served by U.S. mail, postage prepaid, on
this 4th day of April 2016, upon Applicant's counsel at the following correspondence
address of record:

David E. Weslow
Wiley Rein LLP
1776 K Street NW
Washington, DC 20006
dweslow@wileyrein.com

/Larry L. White/
Larry L. White
Litigation Case Manager

EXHIBIT A

2008 WL 885888 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Virgin Enterprises Limited

v.

Holt's Company

OPPOSITION 91176609

February 8, 2008

*1 Before [Quinn, Drost](#) and [Mermelstein](#)
Administrative Trademark Judges

By the Board:

Applicant Holt's Company has applied to register the mark ASHTON VIRGIN SUN GROWN, in standard character form, for “cigars” in International Class 34.¹

Registration has been opposed by opposer Virgin Enterprises Limited on the ground that applicant's mark, when used on the identified goods, so resembles opposer's previously used and registered VIRGIN marks as to be likely to cause confusion, mistake or deception. Opposer has pleaded ownership of thirty-eight VIRGIN and VIRGIN formative marks for a wide range of goods and services in a variety of classes. The pleaded registrations for the mark VIRGIN include Registration. No. 3188282² for “alcoholic beverages, namely, vodka and wine” in International Class 33, and Registration No. 2625455³ for, among other things, “providing an on-line shopping mall via a global computer network” in International Class 35. The pleaded registrations for the stylized mark:



include Registration. No. 2709578⁴ for “water, namely, mineral waters, aerated waters and flavored waters; nonalcoholic beverages, namely, fruit flavored drinks” in International Class 32, and for “spirits, namely vodka” in International Class 33; and Registration No. 2798130⁵ for, among other things, “retail store services in the fields of records, audio and video tapes, computers and electronic apparatus and watches, books, luggage and leather goods, clothing, games, video game cartridges, and cafes” in International Class 42. As a second ground for opposition, opposer has alleged dilution.

In its answer, applicant denied the salient allegations of the notice of opposition.

This case now comes up on opposer's motion for summary judgment, filed June 28, 2007. The motion is fully briefed.

As background, the parties were involved previously in Opposition No. 91119511 involving applicant's application to register the mark:



(“Ashton Cabinet VSG Virgin Sun Grown and Design”) for “cigars” in International Class 34.⁶ Opposer alleged likelihood of confusion and dilution as the grounds for opposition, and pleaded ownership of many of the same registrations which it asserts in this proceeding. Applicant failed to file an answer, and default judgment was entered against applicant on October 14, 2003.

In its motion for summary judgment, opposer maintains that due to the Board's prior decision in Opposition No. 91119511, the mark involved in this proceeding, ASHTON VIRGIN SUN GROWN, is barred from registration by res judicata.

*2 Opposer points out that the parties are identical and that the current application claims the same rights as the prior abandoned application (“identical marks, with identical disclaimers, for identical goods, based on identical claimed first use dates as were the subject of the claims adjudicated adversely”). With regard to its argument that ASHTON VIRGIN SUN GROWN “encompasses the identical mark” that was the subject of Opposition No. 91119511, opposer maintains that “[t]he block letter registration now sought.. is simply a different characterization of a right to registration allegedly arising from ... alleged use of the mark in stylized form since July 12, 1999.”

As evidence, opposer has submitted the declaration of James W. Dabney, pages from the Official Gazette showing publication of the mark ASHTON CABINET VSG VIRGIN SUN GROWN and Design and the mark ASHTON VIRGIN SUN GROWN, a copy of the notice of opposition in Opposition No. 91119511, a copy of the Board's order entering default judgment in Opposition No. 91119511, and a copy of the specimen submitted for the involved application in this proceeding, Serial No. 78574896.

In opposing the motion, applicant argues that “there is no indication that default judgment must give rise to res judicata,” advising that in the prior 91119511 opposition applicant was “out-resourced” and “reluctantly chose to abandon its applications” as the parties were unable to negotiate a coexistence agreement. Applicant also argues that res judicata does not apply because “there exists unique separate transactional or operative facts” with respect to the current application and the application involved in the prior Board proceeding. In particular, applicant argues that its earlier application for the mark ASHTON CABINET VSG VIRGIN SUN GROWN and Design contained a unique design element and different wording from the current application for the mark ASHTON VIRGIN SUN GROWN.

In reply, opposer argues that applicant cannot avoid the “bar of res judicata on the ground that it chose not to contest VEL's oppositions” ... and “allowed judgments to be entered against it.” Opposer points out that applicant “concedes the identity of the parties” and that by its application for the word mark ASHTON VIRGIN SUN GROWN applicant seeks a “broader registration of a block letter word mark that would include and encompass the previously-refused-word-and-design mark,” essentially “embedd[ing] the rejected claim in a block letter portrayal of a previously rejected mark.”

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issues of material fact and that it is entitled to judgment as a matter of law. See [Fed. R. Civ. P. 56\(c\)](#). A genuine issue with respect to

material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

*3 As the parties acknowledge, the form of res judicata at issue here is claim preclusion, not issue preclusion, as no issues were actually decided and litigated in the prior Board proceeding. For claim preclusion to apply, there must be (1) an identity of parties or their privies, (2) a final judgment on the merits of the prior claim, and (3) the second claim must be based on the same transactional facts as the first and should have been litigated in the prior case. *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 327 n.5 (1979); *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000). “Default judgment can operate as res judicata in appropriate circumstances.” *Sharp Kabushiki Kaisha v. ThinkSharp Inc.*, 448 F.3d 1368, Inc., 79 USPQ2d 1376, 1378 (Fed. Cir. 2006) citing *Morris v. Jones*, 329 U.S. 545, 550-51 (1947).

With respect to the prior Board litigation, there is no dispute as to the identity of the parties or whether there was a final judgment on the merits of the prior claim. Rather, the parties dispute whether the present claim, i.e., applicant's entitlement to registration of the mark ASHTON VIRGIN SUN GROWN, is based on the same set of transactional facts as the claim in the prior opposition. The parties do not dispute that the goods identified in the application which was the subject of the prior opposition are the same as the goods identified in the current application. Thus, the issue for us to consider is whether the mark in this proceeding has the same commercial impression as the mark involved in the prior opposition. See *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d 1875, 1894 (TTAB 1998) (“The Board, in applying the Restatement's [Second of Judgments] analysis in determining whether two opposition proceedings, against two applications, involve the same “claim” for purposes of the claim preclusion doctrine, has looked to whether the mark involved in the first proceeding is the same mark, in terms of commercial impression”).

Applying this analysis to the present case, we find that the application that was the subject of the prior opposition proceeding, ASHTON CABINET VSG VIRGIN SUN GROWN and Design, is the same mark in terms of commercial impression, as ASHTON VIRGIN SUN GROWN, the mark involved in this proceeding. Clearly, ASHTON VIRGIN SUN GROWN evolved out of the word and design mark, and the deletion of the design and the terms CABINET VSG are minor alterations which do not rise to the level of a new mark, sufficient to allow applicant to seek registration herein. See *Miller Brewing Co. v. Coy Int'l Corp.*, 230 USPQ 675 (TTAB 1986) (finding claim preclusion with respect to a design mark which evolved out of an earlier design mark which had been the subject of an opposition proceeding between the parties, finding any changes to the mark were minor and did not change the commercial impression); *Aromatique Inc. v. Lang*, 25 USPQ2d 1359 (TTAB 1992) (finding claim preclusion with respect to a mark which had minor alternations in typeface and capitalization to an earlier mark that was the subject of an opposition between the parties, finding the commercial impression the same). Cf. *J.I. Case Co. v. F.L. Indus., Inc.*, 229 USPQ 697 (TTAB 1986) (finding issue preclusion with respect to a stylized mark wherein the mark in the earlier proceeding was typed and the goods covered in the present application were encompassed within the broad designation of goods in the prior application).

*4 Accordingly we find that the mark sought to be registered herein and the mark that was the subject of the prior opposition proceeding are the same, such that the two proceedings involve the same claim for purposes of res judicata and therefore, the judgment in Opposition No. 91119511 operates as a bar to applicant's application for the mark ASHTON VIRGIN SUN GROWN.

In view thereof, opposer's motion for summary judgment is granted.

Judgment is hereby entered against applicant, the opposition is sustained, and registration to applicant is refused.

Footnotes

- 1 Application Serial No. 78574896 filed July 25, 2005, based on use in commerce and claiming a date of first use in commerce of July 12, 1999; 2(f) in part claimed as to VIRGIN and SUN GROWN disclaimed. Prior regs. 1376628, 1885186, and 2164001 claimed.

- 2 Issued December 19, 2006, claiming a date of first use in commerce of January 4, 1995.
- 3 Issued September 24, 2002, claiming a date of first use in commerce of December 1997.
- 4 Issued April 22, 2003, claiming a date of first use in commerce of 1998 for water and nonalcoholic beverages and claiming a date of first use in commerce of January 4, 1995 for vodka.
- 5 Issued December 23, 2003, claiming a date of first use in commerce of 1992.
- 6 Application Serial No. 75779855, based on use in commerce and claiming a date of first use in commerce of July 12, 1999; SUN GROWN disclaimed.

2008 WL 885888 (Trademark Tr. & App. Bd.)

End of Document

© 2016 Thomson Reuters. No claim to original U.S. Government Works.

EXHIBIT B

2007 WL 1144944 (Trademark Tr. & App. Bd.)

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

CALAVO GROWERS, INC.

v.

LUIS CALVO SANZ, S.A

OPPOSITION 91170990

April 11, 2007

*1 Before [Walters](#), [Rogers](#), and [Cataldo](#)
Administrative Trademark Judges

By the Board:

This case now comes up for consideration of opposer's motion (filed January 12, 2007) for summary judgment on its claim of *res judicata*. The parties have fully briefed the motion. ¹

The Board has carefully reviewed the parties' respective arguments and accompanying exhibits, although the Board has not repeated the parties' arguments in this order.

I. Background

By way of background, on November 19, 2004, applicant applied to register the mark displayed below



for “fish and canned fish” in International Class 29. ²

Calavo Growers, Inc. ³ has opposed registration of applicant's mark on the grounds that applicant's applied-for mark (1) so resembles opposer's previously used and registered marks that it is likely to cause confusion, mistake, or deceive prospective consumers under Section 2(d) of the Lanham Act; (2) will dilute the distinctive quality of opposer's marks under Section 43(c) of the Lanham Act as amended; (3) is primarily merely a surname within the meaning of Section 2(e)(4) of the Lanham Act; and (4) is barred by the doctrine of *res judicata* based on the Board's determination in a prior proceeding involving opposer's predecessor in interest and applicant, Opposition No. 91122583, *Calavo Growers of California v. Luis Calvo Sanz, S.A.*

The previous opposition involved applicant's application to register the mark displayed below



for “meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams; eggs, milk; edible oils; canned preserved meat and fish” in International Class 29.⁴ In that case, opposer asserted claims of likelihood of confusion, dilution, and that applicant's mark is primarily merely a surname. *See* Opposer's Amended Notice of Opposition. On May 17, 2002, the Board entered default judgment against applicant, pursuant to [Fed. R. Civ. P. 55\(b\)](#) for applicant's failure to answer the amended notice of opposition.

On November 30, 2006, the Board, noting that the doctrine of *res judicata* serves to preclude in appropriate cases the relitigation of matters previously litigated, invited the parties to address this issue by way of a motion for summary judgment limited to the claim of *res judicata*. Opposer then filed the motion for summary judgment which is the subject of this order.

II. Opposer's Motion for Summary Judgment

We will now discuss whether summary judgment is warranted in this case. Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. *See* [Fed. R. Civ. P. 56\(c\)](#). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. *See* [Celotex Corp. v. Catrett](#), 477 U.S. 317, 106 S.Ct. 2548 (1986). The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. *See* [Opryland USA, Inc. v. Great American Music Show, Inc.](#), 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). When the moving party's motion is supported by evidence sufficient to indicate that there is no genuine issue of material fact, and that the moving party is entitled to judgment, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely-disputed facts that must be resolved at trial. The nonmoving party may not rest on the mere allegations of its pleadings and assertions of counsel, but must designate specific portions of the record or produce additional evidence showing the existence of a genuine issue of material fact for trial.

*2 For the reasons explained below, we find that the doctrine of *res judicata* applies to this case.

Under the doctrine of *res judicata* (or claim preclusion), the entry of a final judgment “on the merits” of a claim (i.e., cause of action) in a proceeding serves to preclude the relitigation of the same claim in a subsequent proceeding between the parties or their privies, even in those cases where the prior judgment was the result of a default or consent. *See* [Lawlor v. National Screen Service Corp.](#), 349 U.S. 322, 75 S.Ct. 865, 99 L.Ed. 1122 (1955); [Chromalloy American Corp. v. Kenneth Gordon, Ltd.](#), 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984); and [Flowers Industries, Inc. v. Interstate Brands Corp.](#), 5 USPQ2d 1580 (TTAB 1987). A second suit is barred by *res judicata* or claim preclusion if

- (1) the parties (or their privies) are identical;
- (2) there has been an earlier final judgment on the merits of a claim; and

(3) the second claim is based on the same set of transactional facts as the first.

Jet, Inc. v. Sewage Aeration Systems, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

A. The Parties (or Their Privies) are Identical

No genuine issue of material fact exists regarding the first factor of the *res judicata* analysis -- that the present opposition involves the same parties or their privies as the prior opposition. Opposer has submitted evidence in the form of a declaration from Bruce Spurrell, Director of Purchasing and Risk Management for opposer, attesting that opposer is the successor-in-interest of Calavo Growers of California, the plaintiff in the prior case. Specifically, Mr. Spurrell asserts that opposer acquired all the rights, title, and interest of the Calavo Growers of California (including the CALAVO trademark registrations and applications) pursuant to a merger and reorganization of the companies. Para. 3, Spurrell Declaration. Applicant has submitted no evidence to rebut the assertions contained therein.

B. There Has Been an Earlier Final Judgment on the Merits of a Claim

With regard to the second factor of the *res judicata* analysis, there is no genuine issue of material fact that there has been an earlier final judgment on the merits of a claim. As noted *inter alia*, the Board entered default judgment against applicant in the prior opposition. It is well established that a default judgment can operate as a final judgment on the merits for *res judicata*. See *International Nutrition Co. v. Horphag Research Ltd.*, 55 USPQ2d 1492 (Fed. Cir. 2000) and cases cited therein; *see generally* Wright, Miller & Cooper, *18A Federal Practice and Procedure Civil* 2d § 4440 (1999).

C. The Second Claim is Based On the Same Set of Transactional Facts as the First

*3 It is undisputed that the subsequent claims are based on the same set of transactional facts as the first. There is no genuine issue of material fact that the claims asserted by opposer in both proceedings are identical.

In addition, it is undisputed that the literal element of the marks at issue are identical. Applicant's slight modification to the design element of its current application cannot serve to avoid *res judicata*. *Miller Brewing Company v. Coy International Corporation*, 230 USPQ 675 (TTAB 1986) ("*Miller Brewing*") provides an apt illustration of this principle. In *Miller Brewing*, the Board found that the doctrine of *res judicata* applied to an applicant's second mark because the second mark differed from the first mark only insignificantly, and applicant had abandoned the application for the first mark resulting in a judgment against the applicant. In reaching its determination, the Board emphasized that it did not "wish to encourage losing parties to insignificantly modify their marks after an adverse ruling and thereby avoid the *res judicata* effect of the prior adjudication." See also *Aromatique Inc. v. Lang*, 25 USPQ2d 1359 (TTAB 1992).

Lastly, there is no genuine issue of material fact that the goods of applicant's present application are merely a narrowed version of the goods from applicant's prior application. Applicant cannot avoid the estoppel effect of a prior decision by filing a second application that contains a narrower definition of the goods that were "fully encompassed" in the previous application. See *J.I. Case Co. v. F.L. Industries, Inc.*, 229 USPQ 697 (TTAB 1986).

In sum, there is no genuine issue of material fact that the requisite elements for *res judicata* have been satisfied. In view thereof, opposer's motion for summary judgment is granted on its claim of *res judicata*. The opposition is sustained, and registration of applicant's mark is refused.

The Board notes, however that applicant, in its answer to the notice of opposition, counterclaimed to cancel five of opposer's pleaded registrations on the grounds that the mark CALAVO has become generic for the goods and services identified therein, and that the registrations were fraudulently procured from the USPTO.

In view thereof, applicant is allowed until twenty (20) days from the mailing date of this order to indicate whether it would like to proceed on the counterclaims, failing which said counterclaims shall be dismissed.

Footnotes

- 1 Opposer has submitted a reply brief which the Board has exercised its discretion to consider. *See* [Trademark Rule 2.127\(a\)](#).
- 2 Application Serial No. 76621293, alleging a bona fide intention to use the mark in commerce. The color(s) blue and white is/are claimed as a feature of the mark with the following description: “The mark includes three shades of the color blue. The darkest shade of blue appears beneath the word “CALVO”, while a lighter shade of blue surrounds the word “CALVO” and the lightest shade of blue is in the outermost top portion. The word “CALVO” appears in white letters surrounded by shading.”
- 3 In the notice of opposition, opposer has alleged that it is the successor-in-interest of Calavo Growers of California.
- 4 Application Serial No. 75769566, filed August 6, 1999. The application contains the statement that the English translation of the term “CALVO” is “BALD” and that the drawing is lined for the color blue.

2007 WL 1144944 (Trademark Tr. & App. Bd.)

End of Document

© 2016 Thomson Reuters. No claim to original U.S. Government Works.

EXHIBIT C

2015 WL 2441551 (Trademark Tr. & App. Bd.)

THIS DECISION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

BLVD SUPPLY, LLC

v.

JUAN CHEN

Cancellation No. 92059168

April 28, 2015

*1 Before [Quinn, Ritchie](#) and Masiello
Administrative Trademark Judges

By the Board:

This case now comes before the Board on:

1. BLVD Supply, LLC's ("BLVD") amended petition to cancel filed November 17, 2014 in response to the Board's October 20, 2014 order; and
2. Juan Chen's ("Chen") motion for summary judgment based on *res judicata*.

Amended Pleading

By an order of October 20, 2014, the Board allowed BLVD time to amend its petition to cancel. BLVD filed its amended petition on November 17, 2014, and Chen filed an answer thereto on December 17, 2014.¹ The amended petition to cancel is the operative pleading in this proceeding.

Motion for Summary Judgment

BLVD seeks to cancel Chen's registration of the mark:



for "down jacket; men's and women's jackets, sports jackets; sports pants; track jackets; track pants; wind pants; wind resistant jackets; waterproof jackets and pants; denim jackets; denims; heavy jackets; jackets; jogging pants; long jackets; sleeping garments; stretch pants, sweat jackets; sweat pants; sweat shirts; t-shirts; tops; undergarments" in International Class 25 ('202 Registration).²

In its amended petition to cancel, BLVD asserts claims of fraud and abandonment based on non-use and pleads common law rights in the mark BLVD SUPPLY COMPANY and ownership of application Serial No. 86172047 (now abandoned) for the mark



Concurrently with her answer, Chen filed a motion for summary judgment based on *res judicata* or claim preclusion. The motion has been fully briefed.

Chen asserts, *inter alia*, that a prior proceeding -- Cancellation No. 92056299 (the "299 cancellation"), which resulted in a final judgment of dismissal with prejudice -- involved the same parties and was based on the same claims. In support of her motion, Chen has submitted copies of the petition to cancel in the '299 cancellation, the recorded assignment documents for application Serial No. 85531591,³ the motion to dismiss the '299 cancellation, and the Board's decision dismissing the '299 cancellation. The petitioner in the earlier proceeding asserted claims of fraud and abandonment. Upon motion by Chen to dismiss the '299 cancellation pursuant to Trademark Act § 2.132(a) for that petitioner's failure to take testimony or enter evidence, the Board dismissed the cancellation with prejudice in its February 18, 2014 decision.

*2 In its response to the motion for summary judgment, BLVD argues, *inter alia*, that the petitioner in the '299 cancellation was BLVD Supply, a California partnership,⁴ and the petitioner in the instant cancellation is a California limited liability company,⁵ a separate legal entity that is not a privy of the prior petitioner; that the '299 cancellation was not a decision on the merits; and that the marks at issue in the '299 cancellation are different from the marks at issue in the instant cancellation. *Response* at pp. 2-4.

In general, a party may not file a motion for summary judgment until the party has made its initial disclosures. [Trademark Rule 2.127\(e\)\(1\)](#); *Qualcomm, Inc. v. FLO Corp.*, 93USPQ2d 1768, 1769-70 (TTAB 2010). However, this rule has two exceptions: 1) a motion asserting lack of jurisdiction by the Trademark Trial and Appeal Board; or 2) a motion asserting claim or issue preclusion. [Trademark Rule 2.127\(e\)\(1\)](#); *Zoba Int'l Corp. v. DVD Format/LOGO Licensing Corp.*, 98 USPQ2d 1106, 1108 n.4 (TTAB 2011) (motion to dismiss considered as one for summary judgment where it asserts claim preclusion).

Entry of summary judgment is appropriate only where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. [Fed. R. Civ. P. 56\(a\)](#). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. *See Opryland USA Inc. v. Great Am. Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); *Olde Tyme Foods, Inc. v. Roundy's, Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). Evidence on summary judgment must be viewed in a light favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. *Lloyd's Food Prods., Inc. v. Eli's, Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); *Opryland USA*, 23 USPQ2d at 1472. The Board may not resolve genuine disputes as to material facts on summary judgment; it may only ascertain whether genuine disputes as to material facts exist. *See Lloyd's Food Prods.*, 25 USPQ2d at 2029; *Olde Tyme Foods*, 22 USPQ2d at 1542.

Claim Preclusion

Under the doctrine of claim preclusion, “a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action.” *Jet Inc. v. Sewage Aeration Sys.*, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979)).

*3 For claim preclusion to apply, therefore, there must be:

- (1) identity of parties (or their privies);
- (2) an earlier final judgment on the merits of a claim; and
- (3) a second claim based on the same set of transactional facts as the first.

Id.

First Factor -- Identity of Parties

The '299 cancellation was brought by BLVD Supply, and the present proceeding was filed by BLVD Supply, LLC. During the pendency of the '299 cancellation, BLVD Supply filed an assignment which purports to assign its entire right, title and interest in application Serial No. 85531591 and the mark BLVD SUPPLY to Thomas B. Fore (recorded with the Office on October 23, 2012, executed on October 18, 2012). Thereafter, Thomas B. Fore assigned his entire right, title and interest in, *inter alia*, the mark, BLVD SUPPLY, and application Serial No. 85531591 to BLVD Supply, LLC⁶ (recorded with the Office on August 6, 2013, executed on July 15, 2013). Accordingly, during the pendency of the '299 cancellation,⁷ BLVD Supply, LLC became the owner of all relevant trademark asserted by the petitioner in that proceeding, namely, ownership of the mark BLVD SUPPLY and application Serial No. 85531591, and was the owner of such rights at the time the Board issued its order dismissing the '299 cancellation, which BLVD does not dispute.

If the mark relied upon in a proceeding before the Board has been assigned and the assignee has not been joined or substituted in the proceeding, the proceeding may be continued in the name of the assignor. TBMP § 512.01. Further, if the mark relied upon by a party to a proceeding before the Board is transferred during the pendency of that proceeding, the decision of the Board will be binding upon the assignee. See *Hamilton Burr Publishing Co. v. E. W. Communications, Inc.*, 216 USPQ 802, 804 n.1 (TTAB 1982) (decision will be binding upon the assignee). Therefore, while the '299 cancellation remained in the name of BLVD Supply, because BLVD Supply, LLC was the owner of the mark BLVD SUPPLY and the petitioner's pleaded application Serial No. 85531591 at the time the Board issued its order, the order was binding on BLVD Supply, LLC.

We find that BLVD Supply and BLVD are in privity for purposes of claim preclusion. BLVD Supply is made up of the individuals Richard J. Loughran and Ryan Usrey. *July 11, 2014 Response*,⁸ *Loughran Declaration*. p. 1. Richard J. Loughran, as asserted in his declaration, is the Chief Executive Officer of BLVD and Ryan Usrey was a minority shareholder of BLVD prior to leaving in January 2014. Inasmuch as Mr. Loughran was a partner of BLVD Supply and is now the Chief Executive Officer of BLVD and Mr. Usrey was a partner of BLVD Supply and a one-time shareholder of BLVD, we find that BLVD Supply and BLVD are in privity for purposes of claim preclusion. See *John W. Carson Found v. Toilets.com Inc.*, 94 USPQ2d 1942, 1947 (TTAB 2010) (citing *Kraeger v. General Electric Co.*, 497 F.2d 468, 472 (2d. Cir. 1974) (The president and sole shareholder of a corporation was bound by the corporation's defeat in an action that he effectively controlled); *Vitronics Corp. v. Conceptronic, Inc.*, 27 USPQ2d 1046, 1049 (D.N.H. 1992) (founder and CEO of corporation in privity with corporation)).

*4 In view thereof, the petitioner in the instant cancellation was a privy of the petitioner in the '299 cancellation -- BLVD Supply. See *Renaissance Rialto Inc. v. Boyd*, 107 USPQ2d 1083, 1085 (TTAB 2013); *John W. Carson Found*, 94 USPQ2d at 1947; TBMP § 206.02 (“[T]he concept of privity generally includes, *inter alia*, the relationship of successive ownership of a mark (e.g., assignor, assignee)”).

Further, there can be no argument that Chen is the same party as the respondent in the '299 cancellation.

Second Factor -- An Earlier Final Judgment on the Merits of a Claim

In its dismissal of the '299 cancellation, the Board granted Chen's motion to dismiss for failure to prosecute under [Trademark Rule 2.132\(a\)](#) as conceded.

Whether the judgment in a prior proceeding was the result of a dismissal with prejudice or even default, claim preclusion may still apply. *See, e.g., Orouba Agrifoods Processing Co. v. United Food Import*, 97 USPQ2d 1310 (TTAB 2010) (granting summary judgment to registrant on claim preclusion where petitioner's opposition had been dismissed with prejudice); *La Fara Importing Co. v. F. Lli de Cecco di Filippo Fara S. Martino S.p.a.*, 8 USPQ2d 1143, 1146 (TTAB 1988) ("Issue preclusion operates only as to issues actually litigated, whereas claim preclusion may operate between the parties simply by virtue of the final judgment."); *Flowers Indus. Inc. v. Interstate Brands Corp.*, 5 USPQ2d 1580, 1583 (TTAB 1987) (claim preclusion applies "even when the prior judgment resulted from default, consent, or dismissal with prejudice"); *USOC v. Bata Shoe Co.*, 225 USPQ 340, 342 (TTAB 1984) ("default judgments generally operate as res judicata"). "[D]efault judgments for failure to answer, or dismissals for failure to prosecute, where there has been no decision 'on the merits,' can act as a bar under the doctrine of claim preclusion." *Orouba Agrifoods Processing Co.*, 97 USPQ2d at 1313 (citing *International Nutrition Co. v. Horphag Research, Ltd.*, 220 F.2d 1325, 55 USPQ2d 1492, 1492 (Fed. Cir. 2000)).

In view thereof, the Board's dismissal with prejudice for failure to prosecute the '299 cancellation was a final judgment which may give rise to claim preclusion.

Third Factor -- A Second Claim Based on the Same Set of Transactional Facts as the First

*5 This case implicates the defensive doctrine of "bar," wherein the Board must analyze whether the plaintiff can bring a subsequent case against a defendant. *See Jet Inc.*, 55 USPQ2d at 1856 (stating that the doctrine of claim preclusion "has come to incorporate common law concepts of merger and bar, and will thus also bar a second suit raising claims based on the same set of transactional facts") (citing *Migra v. Warren City School Dist. Bd. of Educ.*, 465 U.S. 75, 77 n.1 (1984)). RESTATEMENT (SECOND) OF JUDGMENTS § 19 (1982) provides that "a valid and final personal judgment rendered in favor of the defendant bars another action by the plaintiff on the same claim." This bar extends to relitigation of "claims that were raised *or could have been raised*" in an earlier action. *Allen v. McCurry*, 449 U.S. 90, 94 (1980) (emphasis added); *Migra*, 465 U.S. at 77 n.1. Thus, under claim preclusion, a plaintiff is barred from a "subsequent assertion of the same transactional facts in the form of a different cause of action or theory of relief." *Vitaline Corp. v. General Mills Inc.*, 891 F.2d 273, 13 USPQ2d 1172, 1173 (Fed. Cir. 1989).

When, as here, the Board analyzes the defensive doctrine of bar, we must determine whether the proceedings arise from the same transactional facts. *See, e.g., Sharp Kabushiki Kaisha*, 79 USPQ2d at 1378-79; *Chromalloy American Corp.*, 222 USPQ at 189-90. Therefore, we must analyze whether BLVD's new claims arise out of the same set of transactional facts and thus could and should have been brought in the previous litigation.

The Court of Appeals for the Federal Circuit has stated that it is guided by the analysis set forth in the Restatement of Judgments in determining whether a plaintiff's claim in a particular case is barred by claim preclusion. *See Jet Inc.*, 55 USPQ2d at 1856; *Chromalloy American Corp. v. Kenneth Gordon (New Orleans), Ltd.*, 736 F.2d 694, 222 USPQ 187, 189-90 (Fed. Cir. 1984). Section 24 of the Restatement, which addresses splitting claims, provides that:

(1) When a valid and final judgment rendered in an action extinguishes the plaintiff's claim pursuant to the rules of merger or bar . . . the claim extinguished includes all rights of the plaintiff to remedies against the defendant with respect to all or any part of the transaction, or series of connected transactions, out of which the action arose.

***6** (2) What factual grouping constitutes a “transaction”, and what grouping constitutes a “series”, are to be determined pragmatically, giving weight to such considerations as whether the facts are related in time, space, origin or motivation, whether they form a convenient trial unit, and whether their treatment as a unit conforms to the parties' expectations or business understanding or usage.

Furthermore, Section 25 of the Restatement provides that the rule of Section 24 applies to extinguish a claim by the plaintiff against the defendant even though the plaintiff is prepared in the second action:

- (1) To present evidence or grounds or theories of the case not presented in the first action, or
- (2) To seek remedies or forms of relief not demanded in the first action.

To assess whether the claims are based on the same set of transactional facts, comment b to Section 24 of the Restatement considers whether there is a common nucleus of operative facts. As noted, relevant factors include whether the facts are so woven together as to constitute a single claim in their relatedness in time, space, origin, or motivation, and whether, taken together, they form a convenient unit for trial purposes. *Id.* The same comment notes that:

Though no single factor is determinative, the relevance of trial convenience makes it appropriate to ask how far the witnesses or proofs in the second action would tend to overlap the witnesses or proofs relevant to the first. If there is a substantial overlap, the second action should ordinarily be held precluded. But the opposite does not hold true; even when there is not a substantial overlap, the second action may be precluded if it stems from the same transaction or series.

Id. Courts have defined “transaction” in terms of a “core of operative facts,” the “same operative facts,” or the “same nucleus of operative facts,” and “based on the same, or nearly the same, factual allegations.” *Jet Inc.*, 55 USPQ2d at 1856 (quoting *Herrmann v. Cencom Cable Assoc., Inc.*, 999 F.2d 223, 226 (7th Cir. 1993)); see also *United States v. Haytian Rep.*, 154 U.S. 118, 125 (1894) (“One of the tests laid down for the purpose of determining whether or not the causes of action should have been joined in one suit is whether the evidence necessary to prove one cause of action would establish the other.”).

Applying this analysis, we note the body of the complaint⁹ in the '299 cancellation seeks to cancel the '202 Registration alleging, *inter alia*, that:

1. Chen committed fraud because she did not use the mark in connection with any goods and services in the United States; and

***7** 2. Chen abandoned the mark because she “has never, or in the alternative, no longer uses and shows no intent to resume use of, the mark in commerce, in the United States.”

'299 Petition to Cancel, ¶¶ 1-2.

The cancellation proceeding now before us seeks to cancel the '202 Registration alleging, *inter alia*, that:

1. Chen committed fraud because she “was not using and had never used the [mark in the '202 Registration] in commerce on goods covered in the '202 Registration” and her specimen of use “has not be (sic) sold, offered for sale or distributed in the United States”; and

2. To the extent that Chen may have used her mark, she “abandoned the mark through non-use for at least three consecutive years ... with no intention to resume use.”

November 17, 2014 Petition to Cancel, ¶¶ 10-11, 13.

Considering the pleadings in each cancellation, it is clear that BLVD's claims of fraud and abandonment are based on the same set of transactional facts; in short, whether Chen committed fraud in her procurement of the '202 Registration or abandoned the mark in the '202 Registration based on lack of use in commerce in the United States. See *Jet Inc.*, 55 USPQ2d at 1856-57; *Haytian Rep.*, 154 U.S. at 125.

Decision

Based on the record before us, we find that there is no genuine dispute as to the facts underlying the allegation of claim preclusion in this case in light of the Board's February 18, 2014 decision rendered in the '299 cancellation. Chen's motion for summary judgment is **granted**. Judgment is entered against BLVD, and the petition for cancellation is **dismissed with prejudice**.

Footnotes

- 1 Chen's answer denied the salient allegations of the November 17, 2014 amended petition to cancel.
- 2 Registration No. 3716202 issued November 24, 2009
- 3 BLVD Supply pleaded application Serial No. 85531591 as part of its pleading of standing in the '299 cancellation.
- 4 Petitioner alleges that the partnership is composed of Richard J. Loughran and Ryan Usrey.
- 5 Petitioner alleges that the limited liability company is composed of Emma Chen, James Chen, Jeremiah Camping, Dave Uecker and Lofo Holdings LLC.
- 6 As indicated in the assignment record, the address for BLVD Supply, LLC is 15736 E. Valley Blvd., City of Industry, CA 91745.
- 7 The '299 cancellation was filed October 6, 2012 and the Board's decision issued February 18, 2014.
- 8 The Richard J. Loughran declaration was submitted with BLVD's July 11, 2014 response to Chen's June 6, 2014 motion for summary judgment.
- 9 The ESTTA coversheet also indicates a claim of deceptiveness under Section 2(a) as a ground for cancellation. However, the body of the complaint does not specifically address this ground.

2015 WL 2441551 (Trademark Tr. & App. Bd.)